

## Evaluation of Alternative Development Scenarios

Alternative Scenario	Development in 5 years	Construction Start	Cost to Agency		Projected Average Annual Revenues		Indirect & Immeasurable Costs & Benefits
			Parking Deck	T.I. Transfer	Property T.I. to Agency	Sales Tax to City	
Do nothing	None	Unknown	\$3.0 million (demolition & replacement with surface parking)	\$0	None for 5 years	None for 5 years	Long and costly court battle likely Negative impact on surrounding businesses and property values Negative image for Sunnyvale Macy's may close
Rebuild Parking Deck	900,000 sq. ft. "big box" retail 292 housing units	2007	\$10.0 million	\$0	\$2.8 million	\$1.9 million	New shopping opportunities at low price point Substantial new sales tax Scale of "big box" center incompatible with historic Downtown Potential conflict between shopping center and existing neighborhoods & new housing Macy's may close
Acquire and Offer for Development	1.0 million sq. ft. retail 275,000 sq. ft. office 292 housing units	2007	\$0	\$35 million (1)	\$4.0 million	\$2.0 million	Long-term positive impact on surrounding property values Positive image for Sunnyvale (restored Downtown) Positive impacts on surrounding businesses after 4 years of negative impacts Risk of unanticipated acquisition cost (particularly if eminent domain used)
Current Proposal of Fourth Quarter Properties	1.0 million sq. ft. retail 275,000 sq. ft. office 292 housing units	2005	\$0	\$38 million	\$4.0 million	\$2.0 million	Benefit of continued forward momentum Long-term positive impact on surrounding property values Positive image for Sunnyvale (restored Downtown) Positive impacts on surrounding businesses after 2 years of negative impacts

<sup>1</sup> Assumes developer would reimburse Agency for all costs of all land acquisition, but would require same financial support as current proposal. Less tax increment is available than for current proposal because of two-year delay in opening the center.